



State of Delaware
Clean Water Advisory Council
5 E. Reed Street, Suite 200
Dover, Delaware 19901

Telephone: (302) 739-9941
FAX: (302) 739-2137

Minutes of the 93rd Meeting

September 16, 2009

The Delaware Clean Water Advisory Council met Wednesday, September 16, 2009 at 9:00 a.m., at the Delaware Technical and Community College, 100 Campus Drive, Conference Room 400A, Dover, Delaware.

MEMBERS PRESENT:

Joe Corrado, Chair
Kevin Anderson
Lee Beetschen
Gary Burcham
Andy Burger
Joseph Charma
Eugene Dvornick
Andy Manus
Hans Medlarz
Mike Karia
Robert Stickels

OTHERS PRESENT WERE:

Terry Deputy, DWR/Financial Assistance Branch
Daisy Lopez, DWR/Financial Assistance Branch
Davison Mwale, DWR/Financial Assistance Branch
Frank Paquette, DWR/Financial Assistance Branch
Reza Moqtaderi, DWR/Financial Assistance Branch
Greg Pope, DWR/Financial Assistance Branch
Frank Piorko, Division of Soil and Water Conservation
Kevin Donnelly, New Castle Conservation District
Kathy Weldon, DNREC
Binnur Basaran, DNREC
Keith Rudy, McCrane Inc
D.C. Kuhns, Blue Water Development
Brian White, Delaware Farm Bureau
John DePersenaire, RFA
David Athey, URS
Ryan Flickinger, KCI
Jen Campagnini, DNREC
Randy Duplechain, DBF
Jim Sullivan, DNREC

Ken Branner, Artesian Water
Jennifer Volk, DNREC

CALL TO ORDER

Meeting came to order at 9:00 am.

APPROVAL OF THE AGENDA

Motion made by Mr. Burger seconded by Mr. Dvornick to approve the agenda. Agenda approved unanimously.

APPROVAL OF MINUTES – Council Meeting held on August 16, 2009

Motion made by Mr. Medlarz seconded by Mr. Manus to approve the minutes. Motion passed unanimously.

REPORTS

Administrators' Reports

- A. Wastewater
 - i. Project Updates

Kent County Hartly Area Sanitary Sewer District had three construction contracts bid and opened on August 6. Contracts are to be awarded in September; Town of Delmar Wastewater Treatment Plant upgrade began construction on June 15. The project is 10% complete; City of Wilmington Real Time Control project (STAG) advertised for bid in August. Pre-bid meeting will be held on August 27; the first Contract for the Sussex County Angola Neck SSD Contract #3 is to be awarded in September 2009; Sussex County Johnson's Corner SSD Contract # 2 final contract is to be awarded in September 2009. A complete list of current wastewater projects was included in the handouts.

- ii. ARRA and Base CWSRF Municipal Loan Applications Status

A chart listing all the ARRA and Base CWSRF projects was presented to the Council. Projects listed are shown below:

	Municipal Loans							
		ARRA	Principal	Financial	Environmental	Binding	Anticipated	Anticipated
		Loan	Forgiveness	Review	Review	Commitment	Loan	Construction
						Letter	Closing	Start Date
	Sussex County							
1.	Johnson's Corner Sanitary Sewer District	5,083,986	1,248,033	Complete	Complete	Sent/Received	By September 30	In Process 5% Complete
2.	Woodlands of Millsboro	640,000	640,000	Complete	By September 30	By October 15	By November 15	By January 15
3.	Oak Orchard Sanitary Sewer District Expansion # 1	5,641,503	3,000,000	Complete	By September 30	By October 15	By November 15	By January 15
4.	Inland Bays Regional Wastewater Facility Expansion	1,756,227	1,307,607	Complete	By October 30	By November 15	By December 15	By January 30
5.	Angola Neck CWSRF Loan Refinancing	1,500,000	1,500,000	Complete	Complete	Sent/Received	21-Aug	By October 15
	Sub-Total	14,621,716	7,695,640					
	Green Project Reserve Project							
6.	The Challenge Program Construction Training and Education Center	150,000	75,000	Complete	Complete	Sent/Received	By November 6	By November 15
7.	U. of Del. Water Resources Agency Green Infrastructure Renovation Projects along Cool Run	135,000	67,500	By August 31	Complete	By September 30	By November 30	By December 30
8.	New Castle Conservation District Wilmington Silverbrook Run C.S.O.	1,440,000	720,000	Complete	Complete	Sent/Received	By November 30	By December 15
9.	Town of Millsboro Wastewater Disposal and Reuse	250,000	125,000	Complete	By September 31	By October 1	By November 30	By December 15
10.	Safe Haven Animal Sanctuary of Sussex County Sussex County Safe Haven Animal Sanctuary	234,100	117,050	Complete	Complete	Sent/Received	By November 6	By November 15
11.	City of New Castle Storm Water Management Facility Retrofit Projects	250,000	125,000	Complete	Complete	Sent	By November 30	By January 15
12.	City of New Castle Washington Park Flood Mitigation	630,000	315,000	Complete	Complete	Sent	By November 30	By January 15
13.	City of New Castle Buttonwood Dike Flood Mitigation	442,500	221,250	Complete	Complete	Sent	By November 30	By January 15
14.	Pine Ridge MHP, and Pine Crest MHP, LLC Homestead Mobile Home Park	316,220	158,110	N/A - To be paid at loan closing	By September 30	By October 15	By November 30	By December 15
	Sub-Total	3,847,820	1,923,910					
	Total	18,469,536	9,619,550					

All the projects are to be under contract or in construction by February 17, 2010. There are no problems anticipated with these projects meeting the deadline. For the municipal loans, the Angola Neck CWSRF Loan Refinancing for \$1.5 million went to loan closing on August 21; the Johnson's Corner Sanitary Sewer District will go to loan closing on September 30. Three other projects will go to loan closing later in the year.

For the Green Project Reserve projects, the Challenge Program, New Castle Conservation District, Safe Haven Animal Sanctuary, and City of New Castle have had a Binding Commitment letter completed.

Green Project Reserve Update

At the last meeting it was stated that one of the GPR projects had dropped out. The new project selected is the Homestead Mobil Home Park. The Homestead Mobil Home Park, owned by a private company, is looking for funding for a decentralized wastewater system installed in the Mobile Home Park. The Home Park is eligible for assistance. The construction permit has been issued. The project cost will be \$316,220. The borrower will pay half of the loan at loan closing. No environmental review is necessary.

CWSRF ARRA Binding commitment letters have been issued for 6 GPR projects. Binding commitment letters have been issued for:

- The Challenge Program for \$150,000
- New Castle Conservation District for \$1.4 million
- Safe Haven Animal Sanctuary for \$234,100
- City of New Castle (3 projects) for \$250,000, \$630,000, and \$442,500

Binding Commitment Letters will be issued for the following projects on or before the following dates:

- Homestead Mobil Home Park - \$316,220 – September 30
- University of Delaware Water Resources Agency for \$135,000 – October 9
- Town of Millsboro for \$250,000 – October 30

B. Financial Reports

i. Cash Flow Model

It is projected that \$90 million will be used for CWSRF projects funded by March 31, 2010; \$46.68 million for existing CWSRF funding; \$23 million for possible USDA co-funding; \$18.4 million for the ARRA projects that must be under contract or in construction by February 17, 2010; and \$1.87 million for STAG Grant and Developer Contribution. All municipal loan applications have been received.

The following summarized Financial Report was presented to the Council for the month ending August 2009. The difference between the obligated funds and disbursed funds from a cash flow perspective is the average municipal wastewater projects take, which could be at least 2 to 3 years, to complete construction. Obligated funds reflects the money committed to wastewater projects while disbursed funds represent actual money that has been spent for projects.

					(Millions of \$)	
					Obligation of	Disbursement of
					Funds	Funds
Actuals Through May, 2009						
Source of Funds						
	Cap. Grants + State Match - Admin				\$ 170.9	\$ 170.9
	SRF Loan Repayments				\$ 48.3	\$ 48.3
	NPS Loan Repayments				\$ 6.8	\$ 6.8
	Investment Interest				\$ 8.8	\$ 8.8
					<u>\$ 234.7</u>	<u>\$ 234.7</u>
Total Approved Loan Dollars:						
	42 Municipal Loans				\$ 183.1	\$ 160.6
	NPS Loans				\$ 11.3	\$ 12.7
					<u>\$ 194.4</u>	<u>\$ 173.3</u>
Balance Available for Loans					\$ 40.3	\$ 61.4
Projected June 1, 2009 through June 30, 2010						
Source of Funds						
	Pending FY10 Cap. Grant + State Match				\$ 3.9	\$ 3.9
	SRF Loan Repayments				\$ 9.9	\$ 9.9
	Investment Interest				\$ 0.8	\$ 0.8
					<u>\$ 14.6</u>	<u>\$ 14.6</u>
Loan Dollars						
	Municipal Loans				\$ 68.1	\$ 12.5
	NPS Loans				\$ 1.0	\$ 1.0
					<u>\$ 69.1</u>	<u>\$ 13.5</u>
Balance Available for Loans					\$ (54.5)	\$ 1.1
Cumulative					\$ (14.2)	\$ 62.5

Mr. Deputy presented the Council with charts showing the capitalization grant – state match amount; cumulative amount; additional income; principal and interest; investment interest; total from all sources of funding; and loan commitment. He stated that as long as loan disbursements cumulative amount stays positive there is money to disburse for additional projects. This amount can stay in the positive since projects pay interest during construction. It also included a list of proposed additional Municipal projects and NPS loans that are to be funded though FY 2010.

It was asked if there are any loans that the Financial Assistance Branch (FAB) has any concerns with being delinquent. It was stated that there are no municipal loan delinquent concerns but there may be some that may not meet the June 30 deadline, and have one or two projects that have closed that are not moving forward. The FAB is in contact with those municipalities and are on a short timeline to find a solution and if they don't move forward, the project will be discontinued and the money will go back into the pot.

ii. 21st Century Fund Account

21st Century Fund report was presented for the month ending August 2009. In the Infrastructure Planning Account there is \$0; in the Wastewater Management Account there are \$3.45 million. There is \$983,227 in project grant that was returned from completed projects. In the Clean Water State Match there is \$0. There is a total of \$4.4 million available in the 21st Century Fund.

C. Surface Water

See Subcommittee Reports

SUBCOMMITTEES' REPORTS

A. Wastewater

Mr. Beetschen attended a Water Environment meeting. A conference in November will be arranged. They also held a joint Surface Water/Wastewater Subcommittee meeting. See report under Surface Water Management.

B. Surface Water Management

The Surface Water/Wastewater Subcommittee held a joint meeting in early September. They discussed the size of the planning grants and agreed to increase the grant to \$50,000 with 50% match. They also discussed the Revolving Fund for Planning Design, which is currently set at a one-time allocation from the Non-Federal Administrative Account of \$2 million and agreed to increase that amount to \$4 million. This will allow municipalities to have access to \$200,000 for planning design. Eligible projects have to be on the Project Priority List and go to closing in 1 year. This will be discussed in length at the October meeting. It was clarified that the \$50,000 is not attached with the 1 year closing.

It was asked if at the meeting they discussed funding for studies in access of \$50,000. It was stated that it was discussed and the committee agreed that any projects that need funding in access of 50,000 would come in front of the Council and other sources of funding can be explored.

C. Public Outreach

The Public Outreach Subcommittee held a meeting and approved an outline for the newsletter. The newsletter will highlight projects approved and discussed from previous meetings. There will be 2 Wastewater projects and 2 Surface Water projects; an article on the Stimulus funding and Green projects; and on the 2 new Council members. The newsletter should be available in November.

D. Forestland Conservation

The Forestland Conservation Subcommittee held a meeting via email and approved an outline for the project report that will be brought to the Council sometime in the fall.

E. Finance

The Finance Subcommittee did not have a meeting. They will try to schedule a meeting a week before the next Council meeting and have a report available for the next Council meeting.

OLD BUSINESS

None

NEW BUSINESS

Community Water Quality Improvement Grants

In calendar year 2010, \$500,000 will be available for Community Water Quality Improvement grants to help improve water in impaired watersheds with established TMDLs. An RFP will be made available on

the website for communities. Important dates are: September 17, a RFP will be issued; October 1, there will be an informational workshop at Del Tech in Dover; November 20, proposals are due to the Financial Assistance Branch; and on January 12, grant awards will be announced.

The program goals and priorities are to provide benefits to water quality in impaired watersheds; to implement non-regulatory projects listed in watershed management plan; install community stormwater management improvements in existing developments and municipalities; produce federally acceptable water quality data from citizens monitoring programs; and restore water quality benefits.

It was asked how this all fits in with what the Conservation Districts are doing to help clean up watersheds. It was stated that the Conservation Districts will be eligible for this incentive and they can work with a municipality for assistance to work on stormwater related projects.

Mr. Donnelly stated that in this year's Bond Bill, the cost share funding is tied to Pollution Control Strategy which is different than the language above, "watersheds with established TMDLs". He stated that he would urge the Department to be consistent in the language for these types of funds.

Mr. Deputy stated that you can mix and match; the sources of funds have been identified and funding is available for anything with water quality improvements and there is no limit how this funding can be used in terms of water quality in watersheds with established TMDLs.

Mr. Donnelly stated that the criteria for using these funds are targeted at watersheds with established TMDLs and the epilogue language for the cost share was as written, targeted for those watersheds with approved pollution control strategy. He suggested that the Department look at drafting language for other funding programs that say the same thing.

Delaware state or municipal government, agency or program, non-profit, educational institution, community organization, and/or homeowners association without taxing authority, will be eligible for this grant. The proposal review and ranking criteria will be, 40 points if you meet program goals and priorities; 10 points for geographic scope; 20 points for cost effectiveness/leveraging; 20 points for technical merit and project feasibility; and 10 points for past performance and programmatic capability.

Ranking officials have been selected but it was asked that an additional CWAC member, appointed by the Chair, be selected to be on the panel. Mr. Corrado stated that he would get back to Mr. Deputy when an individual is selected.

Draft RFP – Proposed Reassessment of Wastewater Treatment Plants – Scope of Work

The RFP for statewide Wastewater assessment is near finalization. On October 5 a public notice will be completed; deadline for receiving proposals is on November 5; and award deadline is December 4.

Three Council Members are needed on the evaluation team. Mr. Hans Medlarz, Mr. Lee Beetschen, and Mr. Kevin Anderson volunteered to be on the evaluation team. Others on the evaluation team are, Mr. Terry Deputy; Mr. Greg Pope; Mr. Peder Hansen; Mr. John Schneider; Mr. Ron Graeber; Mr. Mike Mahaffie; and Ms. Andrea Maucher. Mr. Corrado stated that as Chair, he will sit in on the evaluations.

The proposed criteria weight will be, 25% Quality of Proposal; 15% Capacity to meet requirements; 10% Geographical location; 25% Expertise in Project Subject Matter and Public Works; and 25% Demonstrated Ability (previous studies).

Town of Georgetown – Municipal Sewer Project Request

The Town of Georgetown is requesting funding to upgrade the South Bedford Pumping Station and the redirection of its discharge from the overloaded South Bedford Street sewer line to the Cedar Lane

Wastewater Treatment Plant. The main scope is to replace pumps and piping modifications; connect to the existing Regional Force Main; replacement of the existing Emergency Power Generator; and upgrade electrical and controls.

The WPCRF application contained a Preliminary Engineering Report, Environmental Screening Checklist, and an Environmental Information document. No adverse environmental impacts are anticipated; therefore the project is eligible for Categorical Exclusion in accordance with the environmental review procedure of the WPCRF regulations.

The total cost for this project is \$490,000. The loan is to be secured by a pledge of the revenue of the sewer system with an interest rate of 2% annually. Interest only will be paid during construction in semi-annual installments, and upon completion, level debt principal and interest payments will be paid semi-annually in an amount sufficient to amortize the outstanding loan balance over a twenty year term. Affordability for user rates for residential EDU's at repayment will be 188 and cost per residential EDU will be \$527.

The Financial Assistance Branch recommends Council approve a binding commitment to the Town of Georgetown for a \$490,000 loan from the CWSRF for the proposed South Bedford Street Pumping Station project.

Motion made by Mr. Burger, seconded by Mr. Medlarz to approve this project request. Motion passed with majority votes. Mr. Dvornick abstained from voting due to conflict.

New Castle County – 6 Municipal Sewer Project Requests

New Castle County has six project requests for stormwater rehabilitation that will involve improvements to six existing stormwater management ponds located throughout New Castle County. The existing stormwater management ponds are either overgrown with trees, have invasive vegetation, filled with sediment, or require retrofits.

The projects are located at Hills of Hockessin, Terraces of Iron Hill, Airport Industrial Park 2, Buena Vista, Barbs Farm 1, and Country Woods. Environmental reviews have been completed for all the projects.

The total cost after completion is \$9.37 million. The loan will be a General Obligation Bond pledging the full faith, credit, and taxing power of the County. The interest rate for the loan will be 2% provided the project is either under contract or in construction by December 31, 2009. In the event the project is not under contract or in construction as of that date, the interest rate will default to the standard non-point source rate of 3%. Interest only will be payable semi-annually during construction and upon completion, semi-annual payments of principal and interest shall be payable in an amount sufficient to amortize the outstanding principal over a 10 year term.

Based on the sound financial status and positive environmental impact of the project, the Financial Assistance Branch recommends Council approve a binding commitment for a loan in the amount of \$650,000 from the Water Pollution Control Revolving Fund.

Motion made by Mr. Dvornick, seconded by Mr. Karia to approve these project requests.

It was stated that the Council, for future projects, should use money to upgrade systems, like the one in Buena Vista and Barbs Farm 1 and not just to clean them out to get them to work. Projects like the ones stated should be brought up to new standards. It was also stated that 3 or 4 years ago approximately 700 stormwater facilities were identified that were failing or in the process of failing. \$10 million from the Bond Bill appropriations were spent to rehabilitate and improve approximately 70 of those basins.

The Council will also like more information regarding the responsibility of homeowners associations, and the current laws for upgrading some of these facilities.

It was stated that the NPDES Phase 1 permit requires that Stormwater Management Systems are maintained in good operational order. New Castle County instituted an amnesty program where the County invited maintenance cooperations to register with the County and if they obligated themselves to continue to do the routine maintenance for their stormwater facilities and when the time came for them to have large capital improvements made, the county would consider assisting under a Capital Improvement program.

It was stated that the Council develop ranking criteria for Stormwater projects, as has been done with Wastewater projects. Since the Council needs to have a workshop to review their ranking criteria, that ranking criteria for Stormwater be addressed at the same workshop.

Motion made by Mr. Burcham, seconded by Mr. Manus to hold a workshop to review current ranking criteria and address ranking criteria for Stormwater projects.

Motion passed unanimously but Mr. Deputy stated that due to the lengthy process in getting ready for the next Project Priority List, there is not enough time to have a workshop to develop ranking criteria for stormwater projects.

The Chair suggested that the Surface Water Subcommittee gather with Mr. Piorko, his staff, Mr. Jones, and Mr. Athey and generate ranking criteria for Stormwater projects.

Motion passed unanimously to approve this project request.

Future CWAC Meeting Dates

The next Council meetings are schedule for October 21 and December 16. All meetings will be held at the Delaware Technical and Community College, Terry Campus, Dover.

PUBLIC COMMENT

Mr. Brian White, representing the Delaware Farm Bureau, read a letter from Mr. Ed Jestice, President of the Delaware Farm Bureau, regarding Reclaiming and Recycling the waters of Delaware. The letter is in support of the Land Based application of wastewater for the City of Rehoboth Beach as the only viable option.

It was asked if this letter has been presented to the County Council for the City of Rehoboth. It was stated that it was not. It was stated that they are the ones that will make the final decision and should present this letter to that Council. Mr. White stated that he would do that.

GOOD OF THE COUNCIL

Dr. Ritter gave a presentation at the last meeting on a Proposed Study of Lands Suitable for Spray Irrigation. At the meeting he agreed to submit a proposal to the Council. The Chair asked if the proposal has been submitted. It was stated that it has not been submitted. He asked that a follow-up be done on the status of that proposal.

At the last meeting, under the Non-Federal Administrative Account, the Council wanted to know what other states are doing with their Non-Federal Administrative Account. It was stated that other states have fees for interest on their municipal loans. Exact numbers and details will be presented at the next Council meeting.

At the last meeting, the Council tabled discussion and/or action on watershed modeling. The Chair asked that it be included on the Agenda for the October meeting.

ADJOURNMENT

Next meeting will be held on October 21, 2009 at Delaware Technical and Community College, Terry Campus, Dover in Conference Room 400A beginning at 9:00 am.

Motion made by Mr. Burger to adjourn the meeting. Motion passed unanimously. Meeting adjourned at 10:25 am.